

**DeSoto Parish Communications District
Mansfield, Louisiana
Annual Financial Statements**

December 31, 2014

DESOTO PARISH COMMUNICATIONS DISTRICT

A Component Unit of the DeSoto Parish Police Jury
Mansfield, Louisiana

Financial Statements
And Independent Auditor's Reports
As of and for the Year Ended December 31, 2014

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Independent Auditor's Report

Board of Commissioners
 Desoto Parish Communication District
 Mansfield, Louisiana

I have audited the accompanying financial statements of the governmental activities of the Desoto Parish Communications District (the "District"), a component unit of The Desoto Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information the District, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

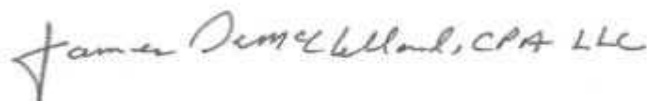
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Desoto Parish Communications District basic financial statements. The General Fund Budgetary Comparison Schedule presented on pages 30 through 31 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on page 33 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund Budgetary Comparison Schedule and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility

of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the General Fund Budgetary Comparison Schedule and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 29, 2015 on my consideration of the Desoto Parish Communications District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountant

Shreveport, Louisiana
June 29, 2015

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

As management of the DeSoto Parish Communications District, Louisiana, we offer the readers of the Communications District's financial statements this narrative overview and analysis of the financial activities of the DeSoto Parish Communications District as of and for the year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the Communications District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Communications District was determined to be a component unit of the DeSoto Parish Policy Jury. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Communications District.

Financial Highlights

The DeSoto Parish Communications District experienced an increase in its net position of \$506,939 (22%) during the year ended December 31, 2014. At December 31, 2014, the assets of the Communications District exceeded its liabilities by \$2,789,171 compared to \$2,282,232 at December 31, 2013.

The Communications District's total general and program revenues were \$1,203,445 during the year ended December 31, 2014, compared to \$1,117,677 during year ended December 31, 2013. This is an increase of \$85,768 or 8%.

Ad valorem tax revenue (property taxes) increased \$81,719 (10%) to \$874,232 at December 31, 2014, from \$792,513 in December 31, 2013.

The Communications District's governmental funds report total ending fund balance this year of \$2,606,813. This compares to the prior year ending fund balance of \$2,034,850, showing an increase of \$571,963 for the current year.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the DeSoto Parish Communications District's basic financial statements. The Communications District's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements include two kinds of financial statements that present different views of the Communications District—the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail. This report also contains additional required supplementary information—a budgetary schedule—in addition to the basic financial statements. These components are described below:

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the DeSoto Parish Communications District's finances in a manner similar to a private-sector business. The government-wide financial statements include two statements:

The *statement of net position* presents information on all of the DeSoto Parish Communications District's assets and liabilities, with the difference between the two reported as *net position*. Overtime, increases or

decreases in net position may serve as a useful indicator of whether the financial position of the DeSoto Parish Communications District is improving or deteriorating.

The *statement of activities* presents information showing how the DeSoto Parish Communications District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Government-Wide financial statements can be found immediately following this discussion and analysis.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The DeSoto Parish Communications District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. DeSoto Parish Communications District has one governmental fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds financial statements can be found immediately following the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The DeSoto Parish Communications District adopts an annual budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate budgetary compliance.

Other Supplementary Information. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

Government-wide Financial Analysis

Net Position

The comparison of net position from year to year serves to measure a government's financial position. As of December 31, 2014, the Communications District's assets exceed its liabilities by \$2,789,171 (net position).

Approximately 6% of the Communications District's net position reflects its investment in capital assets (computers, servers, software, communications equipment, furniture and fixtures, and vehicles); less any related debt used to acquire those assets that is still outstanding. The Communications District has no debt related to capital assets. These capital assets are not available for future spending. At December 31, 2014, \$161,966 of the

Communications District's net position reflects capital assets with a historical cost of \$499,840 less accumulated depreciation of \$337,874.

Unrestricted net position of \$2,627,205 or 94% of total net position as of December 31, 2014, may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

Total liabilities for the Communications District decreased by \$285 from 2013. The following table provides a summary of the Communications District's net position:

	December 31, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 1,713,493	\$ 1,227,389
Accounts receivable	853,672	770,784
Ad valorem taxes receivable	59,590	59,757
Prepaid expenses	22,827	22,454
Capital assets, net of accumulated depreciation	161,966	224,510
TOTAL ASSETS	\$ 2,811,548	\$ 2,304,894
LIABILITIES		
Accounts payable	2,012	3,582
Payroll liabilities	13,005	14,018
Accrued compensated absences	7,360	5,062
TOTAL LIABILITIES	\$ 22,377	\$ 22,662
NET POSITION		
Net investment in capital assets	161,966	224,510
Unrestricted	2,627,205	2,057,722
TOTAL NET POSITION	\$ 2,789,171	\$ 2,282,232

Changes in net position

Comparative data for government-wide information is presented as it is accumulated and is presented to assist analysis in future years. The following schedule compares revenues and expenses for the current and previous years.

Note that program revenues cover 45% of the Communications District's operating expenses for the year ended December 31, 2014. This means the Communications District's taxpayers and other general revenues funded the remainder of its operations during the year.

Total revenues increased by 8% over last year. Approximately 73% (\$874,232) of the Communications District's total revenues for 2014 came from property taxes, 26% (\$312,345) from telephone tariff charges, 1.4% (\$15,663) from other state and local sources, and 0.10% (\$1,205) from investment earnings. Ad valorem tax revenue in the Communications District increased by \$81,719, or 10%, reflecting an increase in the property tax revenue.

The function of the Communications District is public safety. Total expenses increased \$27,987 or 4% from the prior year. Of the total costs, depreciation on the equipment and buildings was \$79,074 or 11% of total expenses.

A Summary of Statement of Activities is as follows:

	For year end December 31, 2014	For year end December 31, 2013
Revenue		
Program revenues:		
Charges for services	\$ 312,345	\$ 308,220
General revenues		
Ad valorem taxes	874,232	792,513
Other general revenues	15,663	15,588
Interest	1,205	1,356
Total revenues	1,203,445	1,117,677
Expenses		
Public Safety	696,506	668,519
Total expenses		
Increase (decrease) in net position	506,939	449,158
Net position December 31, 2013	2,282,232	1,833,074
Net position December 31, 2014	\$ 2,789,171	\$ 2,282,232

Governmental Funds Financial Analysis

As noted earlier, the DeSoto Parish Communications District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund Budgetary Highlights

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Communications District complies with state law, as amended and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.). The Communications District amended the original budget primarily to increase operating expenses and capital outlays. Actual revenues exceeded budgeted amounts by \$130,890. Budgeted expenditures were less than actual amounts by \$234,792. The District is in compliance with the Louisiana Local Government Budget Act.

Capital Asset and Debt Administration

Capital assets. The DeSoto Parish Communications District's investment in capital assets for its governmental activities as of December 31, 2014, totaled \$161,966 (net of accumulated depreciation of \$337,874). A truck was purchased during the year.

Long-term debt. The DeSoto Parish Communications District has no debt outstanding.

Economic Factors and Next Year's Budget

For the fiscal year ending December 31, 2015, the following factors were considered when the budget was prepared:

- General and programs revenues will remain consistent with the prior year.
- The Communications District does not expect to receive significant grant monies.
- Other expenditures are expected to remain steady with the prior year.

Requests for Information

This financial report is designed to provide a general overview of the DeSoto Parish Communications District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bruce Vanderhoeven, Administrator, DeSoto Parish Communications District, 205 N. Jefferson, Mansfield, LA 71052.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana

STATEMENT OF NET POSITION
December 31, 2014

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 1,713,493
Ad valorem taxes receivable	853,672
Other accounts receivable	59,590
Prepaid expenses	22,827
Capital assets, net of depreciation	161,966
TOTAL ASSETS	\$ 2,811,548
LIABILITIES	
Accounts payable	\$ 2,012
Payroll liabilities	13,005
Accrued compensated absences	7,360
TOTAL LIABILITIES	\$ 22,377
NET POSITION	
Net investment in capital assets	\$ 161,966
Unrestricted	2,627,205
TOTAL NET POSITION	\$ 2,789,171

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Function/Program	Expenses	Charges for Services	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Public Safety	\$ 696,506	\$ 312,345	\$ -	\$ -	\$ (384,161)
Total Governmental Activities	\$ 696,506	\$ 312,345	\$ -	\$ -	\$ (384,161)
General Revenues:					
Ad valorem taxes					874,232
State revenue sharing					6,876
Rent					2,257
Interest earnings					1,205
Gain/Loss on sale of assets					6,530
Total General Revenues					891,100
Change in Net Position					506,939
Net Position, Beginning					2,282,232
Net Position, Ending					\$ 2,789,171

The accompanying notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana

BALANCE SHEET, GOVERNMENTAL FUNDS
December 31, 2014

	General Fund
ASSETS	
Cash and cash equivalents	\$ 1,713,493
Ad valorem taxes receivable	853,672
Other accounts receivable	<u>59,590</u>
TOTAL ASSETS	\$ <u>2,626,755</u>
LIABILITIES	
Liabilities:	
Accounts payable	\$ 2,012
Payroll liabilities	<u>13,005</u>
Total Liabilities	<u>15,017</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable ad valorem taxes	<u>4,925</u>
Total Deferred Inflows of Resources	<u>4,925</u>
FUND BALANCES	
Unassigned	<u>2,606,813</u>
Total Fund Balances	<u>2,606,813</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ <u>2,626,755</u>

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2014

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds Statement C	\$ 2,606,813
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the government funds	161,966
Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the current fiscal year	22,827
Deferred revenues are reported in the governmental funds but not in the Statement of Net Position	4,925
Accrued compensated absences are long-term liabilities that are not due and payable in the current period and are not reported in the fund financial statements	<u>(7,360)</u>
Net Position of Governmental Activities, Statement A	<u>\$ 2,789,171</u>

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	<u>General Fund</u>
Revenues	
Ad valorem taxes	\$ 874,788
Intergovernmental revenue- state funds	
State revenue sharing	6,876
Telephone service charges	312,345
Rent income	2,257
Interest income	1,205
Total Revenues	<u>1,197,471</u>
Expenditures	
Current:	
Public safety	
Personal and related benefits	477,303
Operating expenses	133,401
Training and travel	4,804
Capital outlays	27,600
Total Expenditures	<u>643,108</u>
Net Change in Fund Balance before Other Financing Source	<u>554,363</u>
Other Financing Source	
Sale of asset	17,600
Total Other Financing Source	<u>17,600</u>
Net Change in Fund Balance	571,963
Fund balance, beginning of year	<u>2,034,850</u>
Fund balance, end of year	<u>\$ 2,606,813</u>

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Governmental Funds, Statement E	\$	571,963
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Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable to current periods are recognized.		373
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Capital outlays (\$27,600) less depreciation expense (\$79,074)		(51,474)
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In the statement of activities, the <i>gain</i> on the sale of an asset is reported, whereas, in the governmental funds the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by the basis of the asset sold.		(11,070)
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Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds.

Change in unavailable ad valorem taxes		(555)
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Increases in accrued compensated absences are reflected as an increase in expenses on the Statement of Activities, but are not reported in the governmental funds.		(2,298)
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Change in Net Position of Governmental Activities, Statement B	\$	506,939
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DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

INTRODUCTION

DeSoto Parish Communications District was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 33:9101 on September 11, 1991, and was approved by the citizens of DeSoto Parish in a special election held November 16, 1991. The Communications District is responsible for maintaining and operating the parish-wide Emergency 911 system and equipment, and providing emergency dispatch services to approximately 26,000 residents in DeSoto Parish. The Communications District is governed by a seven-member board appointed in accordance to Louisiana Revised Statute 33:9103. Board members serve without compensation. The Communications District is staffed by an administrator, an office manager, seven full-time dispatchers, and two to three occasional part-time dispatchers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the DeSoto Parish Communications District have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999; Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*. The more significant accounting policies established in GAAP and used by the DeSoto Parish Communications District are discussed below.

A. REPORTING ENTITY

The accompanying financial statements present the Communications District's funds and activities. As required by GAAP, these financial statements present the Communications District as a component unit of the DeSoto Parish Police Jury. Based on the criteria listed below, the Police Jury is considered a primary government.

Governmental Accounting Standards Board (GASB) Statement No. 54 established criteria for determining which component units should be considered part of the DeSoto Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. A primary government is financially accountable for an organization if (a) it appoints a voting majority of the organization's governing board; (b) it is able to impose its will on the organization; or (c) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Based upon these criteria, the Communications District is considered to be a component unit of the DeSoto Parish Police Jury and is disclosed as such in the Police Jury's financial statements.

There are no component units included in the accompanying financial statements.

B. BASIS OF PRESENTATION

The DeSoto Parish Communications District's basic financial statements consists of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Individual funds are not displayed, but the statements distinguish the governmental activities and the types of revenue that support them. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Communications District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Communications District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The major governmental fund of the Communications District is described below:

General Fund. The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Communications District and is used to account for the operations of the Communications District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Communication District's policy.

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide Statement of Net Position and the Statement of Activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING (continued)

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. The statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State revenue sharing is recorded in the year the Communications District is entitled to the funds. Telephone tariff fees and interest income are recognized in the period in which they are earned.

Expenditures. Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

D. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Communications District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Communications District may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid expenses.

Accounts Receivable

Major receivables for the governmental activities include ad valorem taxes, telephone tariff charges and state revenue sharing revenues. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Communications District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Estimated Lives</u>
Computers & equipment	5-10 years
Furniture & fixtures	20 years
Vehicles	5 years

Compensated Absences

The Communications District has the following policy relating to sick and vacation leave:

Sick leave is granted to all permanent full-time employees at the rate of one day per month. Sick leave may be accumulated with limit, which can be applied at time of retirement but not upon termination. After one year of service, all regular, full-time employees are granted 40 hours of vacation leave each year. With 6 to 10 years of service with the DeSoto Parish Communications District, employees are granted 80 hours of vacation each year; with 11 to 20 years of service, employees are granted 120 hours of vacation each year; and with 21 plus years of service, employees are granted 160 hours of vacation each year. Vacation time expires at an employee's anniversary date. Vacation time does not accrue from year to year.

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Equity Classifications

Net Position

The District classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

Fund Balances

In accordance with GASB 54, the District classifies fund balances in governmental funds as follows:

- Nonspendable- Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- Restricted- Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Amounts constrained by the Communications District itself. To be reported as committed, amounts cannot be used for any other purpose unless the Communications District takes the action to remove or change the constraint.
- Assigned- Amounts the Communications District intends to use for a specific purpose.
- Unassigned- All amounts not included in other spendable.

The Communications District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2014

2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2014, the Communications District has cash and cash equivalents totaling \$1,713,493 (book balance), which includes \$1,468,805 in a non-interest bearing account, \$244,688 in demand deposits.

The cash and interest-bearing deposits of the DeSoto Parish Communications District are subject to the following risks:

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Communications District that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Communications District's name.

At December 31, 2014, the Communications District has \$1,714,413 in deposits (collected bank balances). These deposits are secured from risk by \$645,213 of federal deposit insurance, and the remaining \$1,069,199 is pledged by marketable securities held by the custodial bank.

3. ACCOUNTS RECEIVABLE

The following is a summary of receivables at December 31, 2014:

Telephone tariff charges	\$ <u>59,590</u>
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4. PREPAID EXPENSES

The following is a summary of prepaid expenses at December 31, 2014:

Insurance	\$ 2,495
Service contracts	<u>20,332</u>
Total	\$ <u>22,827</u>

5. LEVIED TAXES

The DeSoto Parish Communications District levies taxes on real and business property located within the boundaries of the Communications District. Property taxes are levied by the Communications District on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The DeSoto Parish Sheriff's office bills and collects property taxes for the Communications District. Collections are remitted to the Communications District monthly. The Communications District recognizes property tax revenues when levied.

The property tax calendar:

Assessment date	January 1, 2014
Levy date	June 30, 2014
Tax bills mailed	October 15, 2014
Total taxes are due	December 31, 2014
Penalties & interest added	January 31, 2015
Tax sale	May 15, 2015

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2014

5. LEVIED TAXES (continued)

The Communications District has authorized ad valorem tax millage of 1.14 mills and levied taxes of 1.19 mills for 2014. Revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value in the Communications District was \$775,201,006 in 2014. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$40,589,314 in 2014. Total of ad valorem tax revenues recognized in 2014 by the Communications District was \$874,232.

The following are the principal taxpayers for the Communications District (2014 amounts):

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	Ad Valorem Tax Revenue for District
Chesapeake Operating	Oil & Gas	\$ 65,718,581	8.48%	67,175
Exco Production Company	Oil & Gas	60,056,095	7.75%	61,387
International Paper Co.	Manufacturing	48,152,475	6.21%	49,220
Louisiana Midstream Gas	Oil & Gas	27,953,078	3.61%	28,573
Southwestern Electric Company	Utility	27,095,188	3.50%	27,696
Acadian Gas Pipeline	Oil & Gas	27,000,210	3.48%	27,599
Exco/HGI JV Assets, LLC	Oil & Gas	24,521,257	3.16%	25,065
EP Energy E&P Company, LLC	Oil & Gas	22,633,291	2.92%	23,135
Indigo Minerals LLC	Oil & Gas	22,369,092	2.89%	22,865
Enterprise Gathering, LLC	Oil & Gas	22,008,808	2.84%	22,497
Total		\$ 347,508,075	44.83%	355,210

6. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2014, are as follows:

Governmental Activities	12/31/2013	Additions	Deletions	12/31/2014
Computers & equipment	\$ 442,665	\$ -	\$ -	\$ 442,665
Furniture & fixtures	7,575	-	-	7,575
Vehicles	46,599	27,600	24,599	49,600
Total	\$ 496,839	\$ 27,600	\$ 24,599	\$ 499,840
Less Accumulated Depreciation				
Computers & equipment	\$ 251,088	\$ 68,985	\$ -	\$ 320,073
Furniture & fixtures	1,608	379	-	1,987
Vehicles	19,633	9,710	13,529	15,814
Total	272,329	79,074	13,529	337,874
Capital Assets, Net	\$ 224,510	\$ (51,474)	\$ 11,070	\$ 161,966

Depreciation expense of \$79,074 was charged to the public safety function.

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2014

7. PENSION PLAN

Plan description. Full-time employees (approximately 10) of the DeSoto Parish Communications District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Communications District are members of Plan B.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Communication District funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 67 with at least 7 years of creditable service, after age 62 with at least 10 years of creditable service, or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

Funding Policy. Under Plan B, members are required by state statute to contribute 3% of their annual covered salary and the Communications District is required to contribute at an actuarially determined rate. The current rate is 9.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Communications District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The Communications District was accepted into the Plan on January 1, 2010. The Communications District's contributions for the years ending

December 31, 2014, 2013, and 2012 were \$32,089, \$32,524 and \$34,853, respectively, equal to the required contributions for the years.

8. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2014:

	2013	Additions	Reductions	2014
Compensated absences	\$ 5,062	\$ 2,826	\$ 528	\$ 7,360

9. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in the category.

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2014

9. DEFERRED INFLOWS OF RESOURCES (continued)

Accordingly, the item, unavailable ad valorem tax revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable ad valorem tax revenue is \$4,925.

10. EXPENDITURES NOT INCLUDED IN THE FINANCIAL STATEMENTS

The DeSoto Parish Police Jury furnishes the Communications District facilities for their dispatch office.

11. RISK MANAGEMENT

The Communications District is exposed to various risks of loss related to limited torts, theft of or damage to and destruction of assets and errors and omissions. To handle some of the risk, the Communications District maintains surety bond coverage. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2014.

12. COMMITMENTS AND CONTINGENCIES

On February 19, 2013, the District entered into an agreement with Bruce Vanderhoeven, Sr., whereby the District will pay him to perform duties pertaining to the position of Administrator for the District in the sum of \$70,000 per year for each year of his contract. The contract terminates June 30, 2016.

At December 31, 2014, the District had a verbal commitment to purchase certain property for \$80,000. The purchase was consummated in February, 2015.

There is no litigation pending against the Communications District at December 31, 2014, nor is it aware of any unasserted claims.

13. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. Procedures, observations, and inquiries did not disclose any material related party transactions.

14. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Communications District receive no compensation for their services.

15. SUBSEQUENT EVENTS

Management has performed an evaluation of the Communications Districts activities through June 29, 2015, and has concluded that there is one significant event requiring recognition or disclosure through the date and time these financial statements were available to be issued. The Communications District has expended a total of \$239,680 towards the cost of acquiring land and constructing a new communications building.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 792,381	\$ 792,381	\$ 874,788	\$ 82,407
Intergovernmental revenue- state funds				
State revenue sharing	6,000	6,000	6,876	876
Telephone service charges	258,000	258,000	312,345	54,345
Rent income	9,200	9,200	2,257	(6,943)
Interest income	1,000	1,000	1,205	205
Total Revenues	<u>1,066,581</u>	<u>1,066,581</u>	<u>1,197,471</u>	<u>130,890</u>
Expenditures				
Current:				
Public safety				
Personal and related benefits	551,000	551,000	477,303	73,697
Operating expenses	154,400	182,900	133,401	49,499
Training and travel	14,000	14,000	4,804	9,196
Capital outlays	-	130,000	27,600	102,400
Total Expenditures	<u>719,400</u>	<u>877,900</u>	<u>643,108</u>	<u>234,792</u>
Net Change in Fund Balances before other financing source	<u>347,181</u>	<u>188,681</u>	<u>554,363</u>	<u>365,682</u>
Sale of assets	-	-	17,600	17,600
Total Other Financing Source	<u>-</u>	<u>-</u>	<u>17,600</u>	<u>17,600</u>
Net Change in Fund Balances	347,181	188,681	571,963	383,282
Fund balances, beginning of year	<u>2,034,850</u>	<u>2,034,850</u>	<u>2,034,850</u>	-
Fund balances, end of year	<u>\$ 2,382,031</u>	<u>\$ 2,223,531</u>	<u>\$ 2,606,813</u>	<u>\$ 383,282</u>

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
NOTES TO BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

Budgetary Information

The Communications District is required by state law to adopt an annual budget. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Communications District. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended once during the year.

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. Budgets for most governmental funds are adopted annually on the cash basis of accounting. The budget comparison schedules present the original adopted budget and the final amended budget.

The District is in compliance with the Local Government Budget Act R.S. 39:1301-14 and the budget requirements of LSA-RS 39:34.

OTHER SUPPLEMENTAL INFORMATION

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the year ended December 31, 2014

Bruce Vanderhoven, Administrator

Purpose:

Salary	\$ 70,000
Benefits- Insurance	227
Benefits- retirement	6,596
Benefits- other	-
Car Allowance	-
Vehicle provided by government	635
Per diem	-
Reimbursements	1,200
Travel	-
Registration fees	-
Conference travel	597
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	\$ <u>79,255</u>

**OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING
STANDARDS**

**Independent Auditor's Report on Internal
Control Over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Board of Commissioners
Desoto Parish Communications District
Mansfield, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of the governmental activities of the Desoto Parish Communications District (the "District"), a component unit of The Desoto Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued my report thereon dated June 29, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

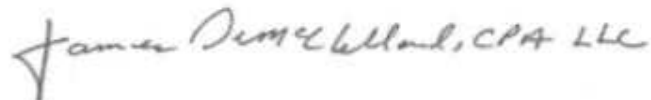
My consideration of internal control over financial reporting was for the limited purpose described in the first preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any weaknesses in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant

Shreveport, Louisiana
June 29, 2015

AUDIT FINDINGS

DESOTO PARISH COMMUNICATIONS DISTRICT

A Component Unit of the DeSoto Parish Police Jury

Mansfield, Louisiana

Schedule of Findings, Responses and
Prior Year Findings

Summary of Audit Results

1. The independent auditor's report expressed an unqualified opinion on the financial statements of Desoto Parish Communications District.
2. No instances of internal control deficiencies were disclosed during the examination.
3. No instances of noncompliance were disclosed during the examination.
4. No separate management letter was issued to Desoto Parish Communications District.

Findings for the Year Ended December 31, 2014

None.

Findings for the Year Ended December 31, 2013

None.